

Approved by the Board of Trustees
November 10, 2016

Board Meeting
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ROLL CALL

APPROVE REQUESTS FOR OPERATING AND CAPITAL APPROPRIATIONS, FISCAL YEAR 2018

Action: Approve Requests for Operating and Capital Appropriations, Fiscal Year 2018

Funding: Incremental State Operating and Capital Appropriations

Requests for operating funds and for new capital appropriations for the University of Illinois for the fiscal year commencing July 1, 2017, are presented for action by the Board of Trustees. Following Board action, these requests will be submitted to the Illinois Board of Higher Education and state agencies for review. The accompanying document, *Fiscal Year 2018 Budget Request for Operating and Capital Funds*, provides detailed descriptions of each program and project included in the request.

The continued budgetary uncertainty in Illinois State Government has impacted the University of Illinois. The University recognizes the State's financial condition, and consequently is requesting the State Fiscal Year 2018 funding levels be restored to the starting Fiscal Year 2015 level of \$662.1 million. The University of Illinois will continue to allocate funding toward its core missions, with emphasis on supporting in-state students as well as enhancing the overall competitiveness of the institution.

The Fiscal Year 2018 capital budget request identifies the University's strategic capital priorities. These strategic capital priorities have been chosen based on their contributions to the University's goals outlined in the Strategic Framework planning document. Together,

these priorities represent a \$414.4 million investment. Remodeling and renovation projects comprise a large part of the total funds requested, reflecting the importance the University places on maintenance and upkeep of existing facilities. Although it does not present a comprehensive list of capital needs, the Fiscal Year 2018 capital budget request recognizes the financial constraints facing the State of Illinois, and highlights only the University's highest strategic capital priorities.

Due to the unique characteristic of health care funding for Medicaid Patient Activity at the University of Illinois Hospital and Health Sciences System (UI Health), \$25.0 million for UI Health is being pursued independently in this request.

The operating and capital requests reflect the University's highest priority budget needs, focusing on the University's mission of education, research, public service, and economic development. The priorities in both the operating and capital requests are consistent with those in the preliminary requests presented to the Audit, Budget, Finance, and Facilities Committee in October 2016.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Executive Vice President and Vice President for Academic Affairs and the Vice President/Chief Financial Officer recommend approval.

The President of the University concurs.